

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Energy Department - Proposal of Bagasse Cogeneration Projects to use Coal during non-crushing period and supply the energy to APDISCOMs - Directions issued under Section 11 of the Electricity Act, 2003 to generate full capacity of the Project with Coal after availing the available Bagasse fuel - Orders - Issued.

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ENERGY (POWER - II) DEPARTMENT

G.O.Rt. No. 54

Dated 22<sup>nd</sup> April, 2010  
Read the following:-

1. Representation received from the South Indian Sugar Mills Association, A.P., Hyderabad, dated 11.01.2010.
2. Govt. Letter No.246/Pr.II(1)/2010-1, dt:12.01.2010.
3. From APPCC, Vidyut Soudha, Hyderabad, Letter No.CE/IPC/121/F.NCE-Bagasse/D.No.276/09,dt.18.01.2010.

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ORDER:

It is on record that the State of Andhra Pradesh is facing severe power shortage in this year. The average demand during March, 2010 is 253.50 MU per day against which only 228.47 MU per day Supply is made. During the corresponding month of previous year, the average demand and supply were 226.22 MU/day and 208.60 MU/day respectively.

2. The energy deficit situation has been accentuated due to the depletion in major hydel reservoir levels in the State besides abnormal increase of demand with the onset of summer with more vigour of all time record in this decade.

3. The Distribution Companies (APDISCOMs) in the State have been procuring power from IPPs in the State and also availing its share from Central Generating Stations. In addition to that the APDISCOMs are getting power under short-term purchases through Power Exchanges and Traders. Yet the demand and supply gap is still large as stated supra.

4. At present the Cogeneration sugar projects have been facing shortage of Bagasse due to the reduction of Sugarcane cultivation area in the Country in general and in the State of Andhra Pradesh in particular. These Cogeneration projects have already been permitted to use Coal as fuel to the extent of 15% of total fuel required for the projects.

5. The said cogeneration project developers through their Associations viz., South Indian Sugar Mills Association (SISMA) represented to the Government under reference 1<sup>st</sup> read above, to allow them to use Coal as fuel during non-crushing period and to permit for open access.

6. After getting the remarks from APDISCOMs, it is observed that there are existing Power Purchase Agreements (PPAs) for longer term with DISCOMs under which the said co-generation projects are obligated to supply entire energy generated by them to DISCOMs and therefore the request of Cogen project developers to the extent that they may be permitted to go for Open Access, is not tenable at law.

7. However, it is considered that the other part of the request of said Cogeneration project developers to use coal for power generation during non-crushing periods, deserves consideration keeping in mind the large gap in the demand and supply position in the state of A.P., which may likely to continue for some more period and since all efforts made by DISCOMs to procure the

P.T.O.

power under Short-term purchases also partly went in vain due to non-availability of transmission corridor and undue restriction imposed on open access transmission by some of the states in which generator is located, it is considered that there exist extraordinary circumstances in Public interest to purchase above power by APDISCOMs.

8. Therefore, taking into consideration of aforesaid factors, including idle capacity of aforesaid Cogen projects in this non-crushing season, Govt. of A.P. being the first and ultimate guardian to protect the interest of people of Andhra Pradesh in view of extraordinary power scenario prevailing in the State and in exercise of the powers conferred under Section-11 (1) of the Electricity Act, 2003, the Government of Andhra Pradesh hereby direct the Cogen project developers mentioned in the address entries to operate, maintain and generate to full capacity of projects by using Coal as fuel initially for a period of three months and supply the above power to APDISCOMs only.

9. The APDISCOMs are directed to coordinate with the said Cogeneration projects and to pay the tariff as is in force from time to time immediately and also to pay any additional amount as per the orders that may be passed by the APERC under Section 11 (2) of the Electricity Act, 2003. The DISCOMs are also directed to monitor the operating system of Cogeneration projects and the fuel that is being used in adhering the directions.

10. These orders will come into effect immediately.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SUTIRTHA BHATTACHARYA  
PRINCIPAL SECRETARY TO GOVERNMENT

To

M/s Sagar Sugars & Allied Products Ltd.  
Rayala Towers, I Floor, 158, Anna Salai,  
Chennai 600 002.  
M/s Kakatiya Cement Sugar & Industries Ltd.,  
1-10-140/1, Gurukrupa,  
Ashok Nagar, Hyderabad - 500 020.  
Gayatri Sugars Limited,  
6-3-663-E, Flat No. 301, Diamond House,  
Behind Topaz Buildings, Panjagutta, Hyderabad.  
M/s Jeypore Sugar Company Limited,  
Chagallu, West Godavari District  
M/s Ganpati Sugars Limited,  
8-2-438/2, Road No.4,  
Banjara Hills, Hyderabad - 34.  
M/s Nizam Deccan Sugars Limited,  
6-3-570/1, 201, Diamond Block,  
Rockdale Compound, Somajiguda, Hyderabad - 82.  
M/s Navabharat Ferro Alloys Limited  
(Deccan Sugars Limited),  
Navabharat Chambers, Rajbhavan Road, Hyderabad - 82.  
M/s GMR Industries Limited,  
6-3-866/1/G2,  
Greenlands, Begumpet, Hyderabad - 16.  
M/s KCP Sugars - Vuyyur project & Laxmipuram project  
Ramakrishna Buildings, 239,  
Annasalai, Chennai - 600006  
M/s Shree Vaani Sugars & Industries Limited  
Mudipapanapalli, Sugalimitta Post  
Punganur, Chittoor District - 517247

M/s The Chodavaram Cooperative Sugars Ltd.,  
Govada, Chodavaram Mandalam  
Anakapalle, Visakhapatnam - 531023  
M/s Etikoppaka cooperative agricultural  
& Industrial Society Limited  
Etikoppaka, Visakhapatnam District - 531082  
M/s Empee Power Projects Company Ltd  
Ayyapareddypalem, Naidupeta,  
Nellore District.  
M/s. GSR Sugars (P) Ltd.,  
Maagi (V), Nizam Sagar (M), Nizamabad Dist.

Copy to:

The Secretary,  
A.P. Electricity Regulatory Commission,  
5<sup>th</sup> floor, Singareni Bhavan, Red Hills, Hyderabad,  
with a request to pass appropriate orders under Section 11 (2) of Electricity  
Act, 2003 offsetting the adverse financial impact on Cogeneration projects,  
that would be resulted due to the directions at para (8) of this Order, as and  
when approached by the APDISCOMs / cogeneration project developers.

The Chairman/APPCC &  
Chairman & Managing Director/APTRANSCO,  
Vidyut Soudha, Hyderabad, with a request to take appropriate action in  
compliance of this Order.

The Chairman & Managing Director  
APCPDCL, Mint Compound,  
Hyderabad.

The Chairman & Managing Director  
APEPDCL, P&T Colony,  
Seetamma Dhara,  
Visakhapatnam.

The Chairman & Managing Director  
APSPDCL, Kesavayanagunta,  
Tirupati.

The Chairman & Managing Director,  
APNPDCL, H.No. 1-1-478,  
Chaitanyapuri,  
Hanmakonda, Warangal.

The South Indian Sugar Mills Association  
5-9-22/69, Adarsh Nagar,  
Hyderabad.

The P.S. to Minister (SSI, S, KVIB & P&S)  
The P.S. to Prl. Secretary to C.M.  
SC/SF

//FORWARDED :: BY ORDER//

SECTION OFFICER